

General Government



General Government

<u>Original Appropriations</u>	<u>FY 1999</u>	<u>FY 2009</u>	<u>Annual % Chg</u>	<u>Total % Chg</u>
<u>By Department or Division</u>				
Administration, Dept.	\$50.3	\$111.7	8.3%	122.2%
Administration, Dept.	24.1	58.4	9.3%	142.7%
Building Fund Adv. Council	23.7	52.8	8.3%	122.5%
Capitol Commission	---	.5	---	---
Personnel Commission	2.5	---	---	(100.0%)
Attorney General	13.7	20.3	4.0%	48.6%
Controller, State	12.0	15.9	2.9%	33.4%
Governor, Office of the	63.7	121.8	6.7%	91.3%
Aging, Commission on	9.4	13.5	3.7%	43.2%
Arts, Commission on the	---	1.7	---	---
Blind and Visually Impaired	3.4	4.4	2.5%	28.1%
Drug Policy, Office of	---	.5	---	---
Energy Resource, Office of	---	3.5	---	---
Financial Management, Div.	2.9	1.9	(4.1%)	(34.5%)
Governor, Executive Office	1.6	2.4	4.2%	50.8%
Human Resources, Div.	---	1.9	---	---
Human Rights Commission	.7	1.0	3.2%	37.2%
Insurance Fund, State	13.5	---	---	(100.0%)
Investment Board	.5	---	---	(100.0%)
Liquor Dispensary	8.8	18.9	8.0%	115.7%
Military Division	17.8	56.9	12.3%	218.8%
Public Empl. Retire. Sys.	5.0	7.1	3.6%	41.9%
Species Conservation	---	8.0	---	---
Women's Commission	.0	.0	(1.8%)	(16.3%)
Legislative Branch	9.3	14.7	4.7%	57.7%
Lieutenant Governor	.1	.2	5.2%	65.6%
Revenue & Taxation, Dept.	28.2	35.8	2.4%	27.0%
Tax Appeals, Board of	.3	.6	7.5%	105.3%
Tax Commission, State	27.9	35.2	2.4%	26.2%
Secretary of State	3.7	2.8	(2.8%)	(24.9%)
Arts, Commission on the	1.5	---	---	(100.0%)
Secretary of State	2.2	2.8	2.2%	24.9%
Treasurer, State	1.5	4.1	10.2%	163.2%
Treasurer, State	1.5	2.4	4.5%	54.6%
Idaho Millennium Fund	---	1.7	---	---
Total	\$182.4	\$327.3	6.0%	79.4%

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General Government

<u>Original Appropriations</u>	<u>FY 1999</u>	<u>FY 2009</u>	<u>Annual % Chg</u>	<u>Total % Chg</u>
<u>By Fund Source</u>				
General	\$59.9	\$102.0	5.5%	70.2%
Dedicated	100.3	157.4	4.6%	56.9%
Federal	22.2	67.9	11.8%	206.1%
Total	\$182.4	\$327.3	6.0%	79.4%

Numbers Displayed in Millions of Dollars and May Not Add Due to Rounding

- ◆ The Capitol Commission was formed in 1998 to preserve the State Capitol building.
- ◆ The functions of the Personnel Commission were transferred to the Office of the Governor in FY 2000 and reorganized as the Division of Human Resources.
- ◆ In 2003 the Legislature moved the Commission on the Arts out from under the Secretary of State and placed it within the Office of the Governor.
- ◆ The Legislature created the Office of Drug Policy in the Office of the Governor in 2007.
- ◆ In 2008 the Legislature moved the Division of Energy Resources from Water Resources to the Office of the Governor as the Office of Energy Resources.
- ◆ In 1998, the Legislature changed the State Insurance Fund from a state agency to an "independent body corporate politic". As a result, its funding is no longer subject to review and appropriation by the Legislature.
- ◆ In 1998, the Legislature moved the Endowment Fund Investment Board out from under the Office of the Governor and placed it under the Land Board.
- ◆ The Office of Species Conservation was created by the Legislature in 2000 at the request of the Governor.
- ◆ The Idaho Millennium Fund was established by the Legislature in 2000 as the repository of all funds received by the State of Idaho under the tobacco Master Settlement Agreement. Beginning in FY 2004, only the non-governmental organization projects are shown in the appropriated amount. The government project appropriations are transferred to, and shown in, their respective agency budgets.

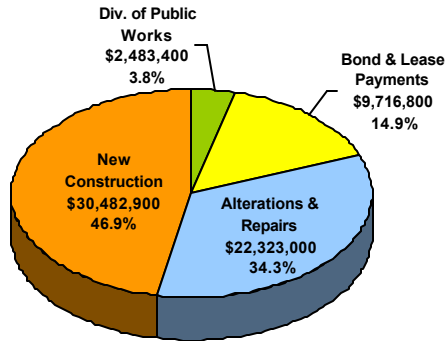
Permanent Building Fund or Capital Budget

Historical Sources of Revenue*

Revenues	FY 05	FY 06	FY 07	FY 08	FY 09 est.
Income Head Tax	\$5.5 M	\$5.7 M	\$6.2 M	\$6.4 M	\$6.5 M
Cigarette Tax	\$6.4 M	\$6.5 M	\$6.7 M	\$6.5 M	\$6.4 M
Beer Tax	\$1.4 M	\$1.4 M	\$1.5 M	\$1.5 M	\$1.6 M
Sales Tax	\$5.0 M	\$5.0 M	\$5.0 M	\$5.0 M	\$5.0 M
Lottery	\$12.5 M	\$13.0 M	\$16.5 M	\$17.0 M	\$17.3 M
Budget Res. Interest	\$4 M	\$3.2 M	\$4.9 M	\$6.8 M	\$6.7 M
PBF Interest Earnings	\$1.4 M	\$1.4 M	\$3.8 M	\$9.3 M	\$8.1 M
<i>Subtotal</i>	<i>\$32.5 M</i>	<i>\$36.2 M</i>	<i>\$44.6 M</i>	<i>\$52.4 M</i>	<i>\$51.5 M</i>
General Fund transfer			\$120.2 M		\$5.6 M
GRAND TOTAL	\$32.5 M	\$36.2 M	\$164.8 M	\$52.4 M	\$57.2 M

*The table does not reflect periodic reappropriations or other miscellaneous revenue, nor cigarette tax revenue earmarked for Capitol Restoration purposes.

FY 2009 Permanent Building Fund Appropriation \$65,006,100*



*FY 2009 appropriation includes bond payments, division of public works appropriation, alteration and repairs, and capital construction projects. A five-person Advisory Council directs the Permanent Building Fund. Its membership consists of two legislators (one each from the House and Senate), one banker, one contractor and one member of the business community.

Permanent Building Fund

For FY 2009 the Legislature allocated the available Permanent Building Fund money into roughly three areas: \$22.3 million for state-wide building maintenance (alteration and repair); \$9.7 million was approved as bond payments on building projects approved in the past; and \$30.5 million for the following new capital construction projects:

- ◆ \$4,000,000: Idaho Correctional Center 76 bed expansion
- ◆ \$10,000,000: BSU Ctr. for Env'tl. Science & Econ. Development
- ◆ \$5,175,000: ISU Meridian building remodel
- ◆ \$420,800: UI North Idaho classroom building
- ◆ \$5,000,000: State Historical Society museum expansion
- ◆ \$749,500: Military Division Caldwell armory remodel
- ◆ \$750,000: Dept. of Parks & Rec Bear Lake admin center
- ◆ \$175,600: Supreme Court Law & Learning Center
- ◆ \$3,252,000: Dept. of Health & Welfare State School & Hospital
- ◆ \$960,000: Veteran's Services headquarters building

Capitol Restoration & Expansion

In the fall of 2006, \$130 million worth of bonds were sold (through the Idaho State Building Authority) to finance the Statehouse restoration/expansion. The debt service schedule on the bonds calls for seven years of annual payments of approximately \$20.1 million. Payments will be from the cigarette tax increase approved in 2005 (H386). The 8th and final year's payment is projected to be about \$12 million. Following the 2007 compromise between the Governor and the Legislature, the expansion portion of the project was scaled back from 100,000 square feet to 50,000 square feet. The total cost is apportioned as follows:

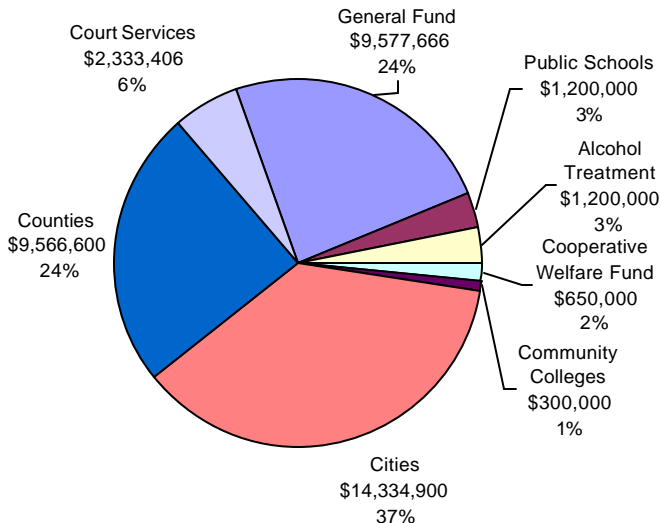
- > Wings Core and Shell with some tenant improvements: \$29.7M
- > Restoration of the existing Statehouse: \$65.7M
- > Project-related costs and contingencies: \$21.2M
- > Connection costs and revised design: \$2.7M

An additional \$2.5 million was made available in the summer of 2008 as a contingency for unforeseen expenses related to the restoration.

The entire restoration and expansion project is on schedule, with re-occupancy to begin in November, 2009, leaving less than eight weeks until the start of the 2010 legislative session.

FY 2007 Distribution of Liquor Dispensary Earnings

Total = \$39,162,572



2007 Liquor Revenue Distribution Formula

Two percent (2%) sales surcharge distributed to Drug & Family Court Services Fund (\$2,333,406)

Forty percent (40%) of profit distributed as follows:

- \$1,800,000 to Cities and Counties
- \$1,200,000 to Alcoholism Treatment Fund
- \$1,200,000 to Public School Income Fund
- \$300,000 to Community College Fund
- \$650,000 to Cooperative Welfare Fund
- Remaining Balance to General Fund

Sixty percent (60%) of profit distributed as follows:

- 60% to Cities (90% to cities with liquor stores, in proportion to sales; 10% to Cities without liquor stores, in proportion to population)
- 40% to Counties, in proportion to sales

Liquor Revenue Distribution Formula Modifications:

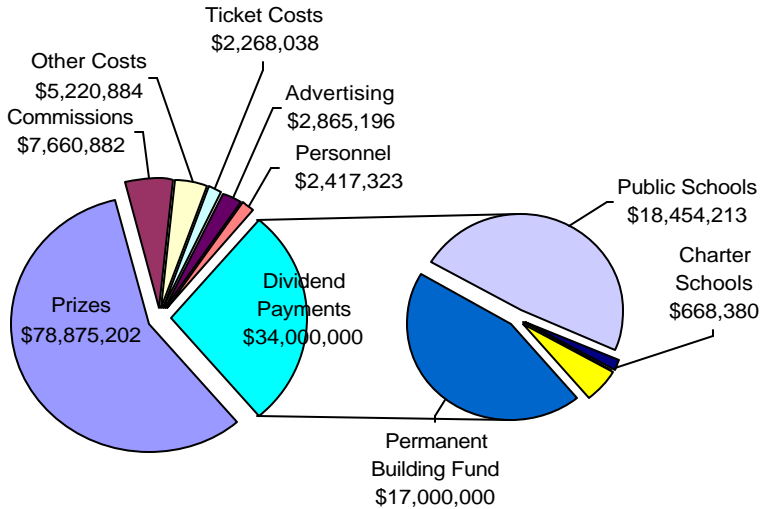
SB 1388 from 2006 provided cities and counties with additional annual distributions of \$1.8 million for fiscal year 2006-2009 to repay the \$7.2 million appropriation to the Water Resource Board Revolving Fund in FY 2005 and adjusted the 40/60 split between state and local governments moving incrementally to a 50/50 split by 2014.

HB 180 from 2007 provided \$2,000,000 in increased funding for substance abuse treatment and drug and mental health courts.

HB 400 from 2008 provided an additional \$300,000 from the distribution for Community Colleges including \$200,000 for the College of Western Idaho and an additional \$50,000 for CSI and NIC.

Where the FY 2007 Lottery Revenues were Distributed in 2008

Total money generated in FY 2007= \$133,306,925



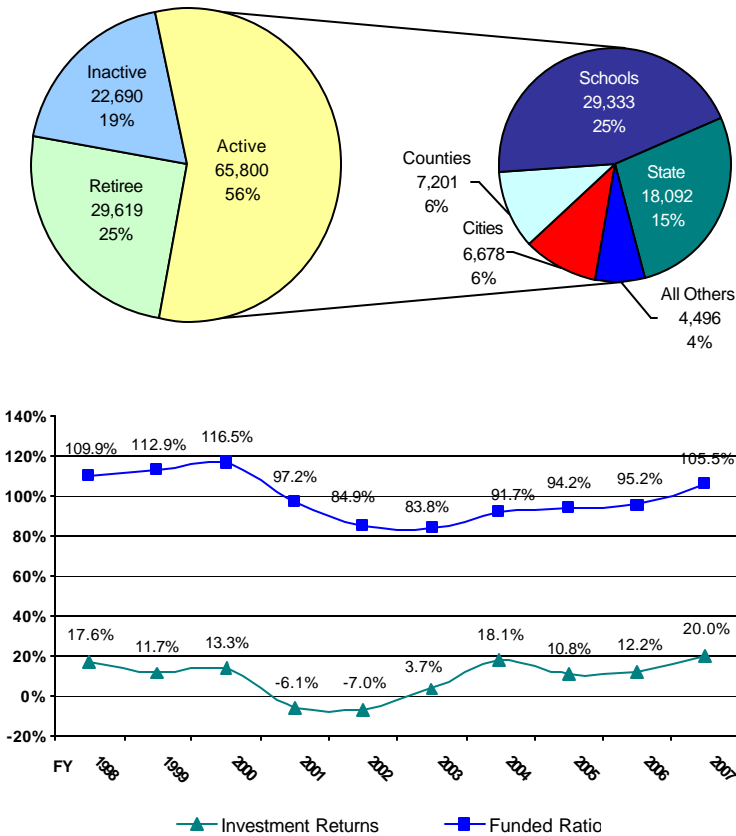
State lottery revenues are derived from the sale of lottery tickets and deposited into the State Lottery Fund. The fund is used to pay agency administrative costs including personnel, operating, and capital outlay. Other expenditures authorized from the State Lottery Fund, and appropriated on a continuous basis, include expenses for prizes, retail commissions, and advertising and promotion costs.

Per §67-7434, Idaho Code, a lottery dividend must be paid annually from net income of lottery ticket sales. One-half of the dividend is paid to the state Permanent Building Fund and the other half of the dividend is paid to the School District Building Account. In FY 2007, the total dividend was \$34,000,000. There was an additional \$2,122,593 that was previously unspent that went to public schools in 2008.

The State Board of Education spent the majority of the FY 2007 lottery dividend on maintaining, furnishing, and/or purchasing sites for public school buildings across the state. Charter schools received \$668,380 for maintenance or construction costs.

Public Employee Retirement System of Idaho

691 employer units belong to PERSI, for a total FY 2007 system membership of 118,109



The PERSI Base Plan experienced a 20% gross return on investments in FY 2007, which equals nearly \$1.871 billion in net investment gain since June 30, 2006. As of July 1, 2007, the PERSI Base Plan fund was valued at \$11.0 billion, up from \$9.2 billion the prior year. PERSI's unfunded actuarial liability at 9.8 years is less than the 25-year amortization period required by law. In November 2002, the PERSI board approved a total contribution rate increase (including employee and employer rates) of 3% to be phased-in over three years, beginning in FY05. The second rate increase scheduled for FY 2006 has been postponed for three years. If the remaining two increases are phased-in, contribution rates will be at the same level they were prior to November 1997, when rates were reduced 3%.

Idaho Millennium Fund

\$ Millions

Fiscal Year	Traditional Millennium Fund			Permanent Endowment Fund		
	Receipts	Transfer to	Ending Market	Receipts	Transfer to	Ending Market
		Approp.	Value		Approp.	Value
2001	\$ 22.8	(\$1.7)	\$ 48.8			
2002	\$ 26.6	(\$2.4)	\$ 49.3			
2003	\$ 26.7	(\$4.9)				
2004	\$ 22.8		\$ 22.8			
2005	\$ 23.2	(\$1.9)	\$ 44.6			
2006	\$ 21.3	(\$.3)	\$ 67.7			
2007	\$ 4.4	(\$1.4)	\$ 64.4	\$ 17.6		\$ 28.1
2008	\$ 5.7	(\$2.5)	\$ 70.4	\$ 22.8		\$ 56.1
2009	\$ 6.4	(\$3.2)	\$ 76.9	\$ 25.5	(\$.5)	\$ 78.8
2015	\$ 6.7	(\$4.9)	\$ 111.9	\$ 26.8	(\$9.2)	\$ 293.1
2020	\$ 6.4	(\$5.2)	\$ 111.6	\$ 25.7	(\$20.2)	\$ 539.0
2025	\$ 6.8	(\$5.2)	\$ 112.0	\$ 27.1	(\$33.1)	\$ 829.2

- ◆ The 2000 Legislature established the Idaho Millennium Fund as an endowment fund structure to receive, invest and disburse funds received by the state as a result of the Master Settlement Agreement reached with tobacco companies. The long-term capital value of the funds is preserved through a 5% annual distribution rule. Fund investments are managed by the State Treasurer.
- ◆ There is **NO** statutory restriction on how the money in the fund may be used. Idaho Code §67-1802 provides that “the uses of this fund shall be determined by legislative appropriation.”

Constitutional Amendment and Legislation

- ◆ In November 2006, voters approved a constitutional amendment to establish the Idaho Millennium Permanent Endowment Fund.
- ◆ The constitutional amendment mandates that, beginning in 2007, 80% of tobacco settlement payments be placed into an endowment fund and that the remaining 20% be placed into the already existing Idaho Millennium Fund. Annual distributions from both of these funds will be made to the Idaho Millennium Income Fund. The legislature will have the authority to spend funds in both the Idaho Millennium Fund and the Idaho Millennium Income Fund.
- ◆ The legislation also establishes a cap of \$100 million on the Idaho Millennium Fund. Once the cap is reached, excess distributions will be transferred to the Idaho Millennium Permanent Endowment Fund.